



**COMMONWEALTH of VIRGINIA**  
**DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**  
600 East Broad Street, Suite 1300  
Richmond, VA 23219

September 5, 2017

Dear Prospective Vendor:

The Department of Medical Assistance Services (DMAS) is soliciting proposals from qualified Certified Public Accounting firms for Cost Settlement, Auditing, and General Consulting Services for the Division of Provider Reimbursement. Duties of the contractor will include providing the review and cost settlement of all, and the field audit of selected, cost reimbursement reports submitted annually by certain providers of health care services to Virginia Medicaid recipients. Specific details about this procurement are in the enclosed Request for Proposal (RFP) 2017-06.

The Commonwealth will not pay any costs that any Contractor incurs in preparing a proposal and reserves the right to reject any and all proposals received.

Contractors are requested not to call this office. All issues and questions related to this RFP should be submitted in writing to the attention of Mary Hairston, Cost Settlement and Audit Manager, Division of Provider Reimbursement, 600 East Broad Street, Suite 1300, Richmond, VA 23219. In order to expedite the process of submitting inquiries, it is requested that vendors submit any questions or issues by email in MS Word format to [RFP2017-06@dmass.virginia.gov](mailto:RFP2017-06@dmass.virginia.gov).

Contractors who wish to submit a proposal are required to submit a **Letter of Intent (LOI)** which must be received by the Department no later than 10:00 A.M. local time on September 19, 2017. The prior submission of a LOI is a prerequisite for submitting a proposal. Proposals shall not be accepted from Contractors who have not submitted a LOI by the deadline specified above. LOI's may be emailed to the address listed above with original hard copy to follow via USPS, overnight delivery or courier service. All Letters of Intent shall be addressed to:

**Department of Medical Assistance Services**  
Attention: Whitney Speece  
600 East Broad Street, Suite 1300  
Richmond, VA 21219

Sincerely,  
*Whitney Speece*  
Whitney Speece  
DMAS Contract Officer

Enclosure



## REQUEST FOR PROPOSALS

**RFP 2017-06**

**Issue Date:** September 5, 2017

**Title:** Cost Settlement, Auditing, and General Consulting Services for the Division of Provider Reimbursement

**Period of**

**Contract:** An initial period of two years from award of contract, with provisions for four twelve-month extensions.

**Commodity Code:** 91804, 94610, 94620

All inquiries should be directed in writing via email in MS Word Format to: [RFP2017-06@dmass.virginia.gov](mailto:RFP2017-06@dmass.virginia.gov)

Mary Hairston  
Cost Settlement and Audit Manager  
Provider Reimbursement Division  
Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia 23219

Deadline for submitting **Letter of Intent** and inquiries is **10:00 a.m. E.T., September 19, 2017**

**Proposal Due Date:** Proposals will be accepted until **10:00 a.m. E.T., on October 10, 2017**

**Submission Method:** The proposal(s) must be sealed in an envelope or box and addressed as follows:

"RFP 2017- 06 Sealed Proposal"  
Department of Medical Assistance Services  
Attention: Whitney Speece  
600 E. Broad Street, Suite 1300  
Richmond, Virginia 23219

Facsimile Transmission of the proposal is not acceptable.

**Note:** This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, sexual orientation, gender identity, political affiliation, or veteran status or any other basis prohibited by state law relating to discrimination in employment. Faith-based organizations may request that the issuing agency not include subparagraph 9.3.1.e in General Terms and Condition 9.3. Such a request shall be in writing and explain why an exception should be made in that invitation to bid or request for proposal.



In compliance with this Request for Proposal (RFP) and to all conditions imposed herein or incorporated by reference, the undersigned proposes and agrees, if awarded this contract, to furnish the services contained in their proposal.

Firm Name (Print)	F.I. or S.S. Number
Address	Print Name
Address	Title
City, State, Zip Code	Signature (Signed in Ink)
Telephone:	Date Signed
Fax Number:	Email:
eVA Registration Offeror Number <b>(Required)</b> :	eVA #:
State Corporation Commission ID Number <b>(Required)</b> : (See Special Terms and Conditions)	SCC ID#:
Dun & Bradstreet D-U-N-S Number <b>(Required)</b> :	DUNS#:
Check Applicable Status: Corporation: _____ Partnership: _____ Proprietorship: _____ Individual: _____ Woman Owned: _____ Minority Owned: _____ Small Business: _____ If Department of Small Business and Supplier Diversity (DSBSD) certified, provide certification number: _____	

**Submit this completed form with Technical Proposal under Required Forms**



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**  
**REQUEST FOR PROPOSALS**  
**FOR**  
**COST SETTLEMENT, AUDITING, AND GERNERAL CONSULTING SERVICES**

**RFP 2017-06**

**ISSUED September 5, 2017**

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## RFP 2017-06 Cost Settlement, Auditing and General Consulting Services

### 1. PURPOSE

The Commonwealth of Virginia, Department of Medical Assistance Services (DMAS) is hereby soliciting proposals from qualified Certified Public Accounting firms to establish a contract through competitive negotiations for Cost Settlement, Auditing Services, and General Consulting Services. DMAS reserves the right to contract with one firm for all services or with different firms for each service.

**Cost Settlement and Auditing Services:** The Certified Public Accounting firm (Contractor) will examine (perform specified verification procedures) provider submitted cost reimbursement reports, by applying comprehensive desk and field audit program procedures, to these submitted cost reimbursement reports and supporting records of health care providers, including hospitals, nursing homes, rehabilitation agencies, federally qualified health centers, rural health clinics and intermediate care facilities for individuals with intellectual disabilities, which participate in the Virginia Medical Assistance Program (VMAP). The contractor will inform the provider of, and report to DMAS any matter, which would impact the allowability of costs reported for reimbursement, as defined in applicable Medicaid reimbursement regulations, and will inform DMAS of any matters that should be considered when rates are updated annually. Cost Settlement and Audit Services are limited to providers that are reimbursed fee-for-services. Specific determinations associated with nursing facilities fair rental values, hospitals' disproportionate share, indirect medical and graduate medical educational costs will continue to be areas of review.

**PFA Audit Services:** The contractor will examine (perform specified verification procedures of) the Personal Fund Account (PFA) records maintained by Nursing Facilities (NF) on behalf of Medicaid Recipients, which participate in the Virginia Medical Assistance Program (VMAP) and report to the provider and DMAS any matters which would affect the PFA in accordance with the Virginia State Plan for Medical Assistance and *applicable state and federal laws and regulations*. These procedures will include the review, of a sample of the claims submitted to and paid by DMAS to the NF provider for services to the Medicaid recipient to verify that the proper patient pay amount has been applied by the NF provider to the claim. Credit balance reviews will be performed for nursing facilities to verify, as the payer of last resort, no excessive claim payments exist.

**General Consulting and Auditing Services:** The Prospective Vendor will provide general consulting to DMAS to satisfy requests made by governing bodies and various stakeholders such as the General Assembly, Centers for Medicare and Medicaid Services, Joint Legislative Audit and Review Commission, etcetera as this is not an all-inclusive list. With healthcare facilities transitioning to managed care, additional general consulting and auditing services are needed to monitor our contractual arrangements and payment of services provided by participating managed care organizations. These services include but are not limited to, administrative costs audits, related party audits, and reviews associated with determining profit cap and medical loss ratio.



## **2. BACKGROUND**

Title XIX of the Social Security Act, referred to as "Medicaid," was established under federal law in 1965. The VMAP began operation on July 1, 1969, and provides for a uniform and comprehensive program of medical and health care for those impoverished and needy persons who are able to establish eligibility. The federal and state governments share the costs of the Medicaid program.

The DMAS is the single state agency which administers the VMAP. Health care providers contract with the DMAS to furnish care to Medicaid eligible recipients.

### **2.1 Provider Reimbursement Division Overview**

The Provider Reimbursement Division (PRD) is responsible for determining payment rates to health care providers, based on costs and/or ceilings determined according to the VMAP regulations. Providers bill the DMAS for services furnished to recipients, and file annual reports which identify the costs incurred and calculate final payment for the fiscal period. The PRD utilizes these cost reports to determine payment amounts and to determine that costs reported and payments claimed are in accordance with the VMAP plan provisions and applicable State and Federal laws and regulations. The PRD Prospective Vendor performs both desk (in-house) and field (on-site) audits/verifications of provider cost reports. PRD utilizes the desk reviewed and/or audited reports for rate setting for fee-for-service health care providers; institutional health care providers and capitated managed care providers.

### **2.2 RFP Objectives:**

To provide a contract for all cost report settlement and in-house and on-site auditing/verification services required by the PRD.

To obtain as a resource through a contract with a Certified Public Accounting Firm, a group of highly skilled, technically competent, ethical, and professional personnel who have been educated and trained in accounting and auditing standards.

To provide for consistency and continuity in the personnel assigned by the contracting firm, who are or will be trained in the VMAP laws and regulations, to ensure consistency in the application of such laws and regulations.

To provide a contract for all on-site auditing of PFA records maintained by Nursing Facilities.

To provide personnel as requested to assist the DMAS in its financial operations processes under the supervision of the DMAS management.

To provide general consulting and auditing services to DMAS in various areas of its operations as needed.





### **3. NATURE AND SCOPE OF SERVICES**

The Contractor will be responsible for the Cost Settlement and Audit functions performed. These duties consist of managing the cost reporting process, completing a comprehensive uniform desk review of cost reports received; determine if further on-site field audit verification is required and completing on-site field audits. The Contractor will also be responsible for issuing notices of program reimbursement (NPR) letters to providers that reflect the results of desk and field audits, rate determination processes as applicable and representing the DMAS at informal and formal appeals of the NPR settlements and audit/verification findings. The Contractor will be responsible for assisting the DMAS from time to time in auditing the costs of providers that do not file annual cost reports to determine if adjustments to rates are appropriate.

The Contractor engaged to perform this project must provide professional and clerical support as well as related resources for the duration of the contract.

#### **3.1 Program Administration**

The Contractor will be responsible for issuing cost reporting forms to participating providers based on their fiscal year end and monitoring to ensure receipt of the cost reports in accordance with the Virginia State Plan regulations. The Contractor will maintain a tracking system to log receipt of cost reports and verify the status of reports through completion of desk and field audits. The Contractor will be required to utilize this system and keep the status fields up to date. The Contractor will be responsible for issuing Notice of Program Reimbursement (NPR) letters to providers after initial, revised and final cost settlements.

The Contractor will be responsible for assisting the PRD in administration of the reimbursement programs with functions such as: changes in cost reporting forms; implementation of new reimbursement methodologies; and analyzing cost report data. The Contractor will be responsible for establishing appropriate internal control procedures to authorize additional payments to providers and establish revised rates through the DMAS Fiscal Agent, after completion of the cost report settlements. The Contractor will be responsible for maintaining all cost report files and records (paper and electronic) and disposing of information in accordance with the DMAS approved records retention plan. The contractor will be responsible for creating and maintaining cost and reimbursement databases for selected provider groups (hospitals, nursing homes, ICF-IDs, FQHCs and RHCs and DBHDS facilities).

The Contractor will be responsible for providing and maintaining both hardware and software that will provide access to DMAS's automated systems for cost report settlement processing and accessing claims data in accordance with applicable privacy and security standards.

#### **3.2 Audit Requirements and Scope**

The DMAS requires the following Audit services:

A. The performance of desk audits is based on Uniform Desk Review Procedures (UDR). The UDR provide for an analysis of the provider's cost report to determine the adequacy, completeness and reasonableness



of data recorded, and a summary of review results to either settle the cost report without field audit or to determine the extent to which field audit verification is needed. The UDR consist of:

1. Clerical review - Determination of its completeness:
  - Verification of its mathematical accuracy
  - Entry of cost report data into an automated desk review system
  - Preparation of the prior and current year's cost report data comparison
2. Professional review - Determination of whether to perform a field audit and its scope based upon factors and steps, which may include, but are not limited to:
  - Comparison of prior and current year's cost data
  - Follow-up on corrective actions on deficiencies noted from prior desk review or field audits
  - Reasonable cost determination by comparison with published limits and established guidelines
  - Determination of inconsistencies in the application of generally accepted accounting principles and Medicaid program regulations, policies and procedures
  - Determination of the existence of reasonable support for cost and statistical data based upon prior experience
  - Summarization of findings regarding whether to field audit and its scope
  - Summarization of issues and findings for subsequent year desk review

Based on DMAS experience, the average amount of time to complete a desk audit depends on the type of provider and the cost report forms they utilize. Based on our most recent experience, the following are average number of settlements and hours to complete a desk audit and settlement:

	<b>Initial Settlement</b>		<b>Revised Settlement</b>	
	<b>Number</b>	<b>Hours</b>	<b>Number</b>	<b>Hours</b>
Nursing Facility CMS 2540 w/ PIRS1090	256	40	65	20
Nursing Facility Fair Rental Value PIRS 1090, Sch R & Sch R-1	250	15	35	10
Nursing Facility PIRS 1090 w/Specialized Care	8	40	8	20
Hospital CMS 2552 w/ DRG 796	108	20	50	10
Hospital CMS 2552, DRG 796, PIRS 1090	17	40	7	20
Home Office CostStatements CMS 287	40	40	10	20



Federally Qualified Health Center CMS 224, DMAS 222	112	30	50	10
Rural Health Clinic CMS 224, DMAS 222	48	30	20	10
Intermediate Care Facility for Individuals with Intellectual Disabilities, MAP 128	54	30	25	10
State DBHDS Facilities, CMS 2552 w/ DMAS 793 or DMAS 128	6	20		
Type One Hospitals (UVA and VCU)Special Audits and Settlements	2	40	2	40

B. Field Audit - A Medicaid cost report field audit involves an examination (perform specified verification procedures) of the provider's financial records and activities as they relate to Medicaid payment. The necessity for a field audit is determined after completing a desk review of the provider's cost report. The Contractor will be required to determine if a field audit is necessary and whether a full or a limited scope audit is required and, if limited, the specific areas to examine.

1. Full Scope Audit - A full scope audit includes an examination (perform specified verification procedures) of financial transactions, accounts, and reports, and compliance with applicable Medicaid laws, regulations, manual instructions and directives. It is of sufficient depth and detail to assure that DMAS's payment is based on Medicaid principles of reimbursement.

2. Limited Scope Audit - A limited scope audit is an examination (perform specified verification procedures) of selected part(s) of a provider's cost report and related financial records. In addition, audit procedures performed on selected areas of the cost may be limited. Both the selected cost report areas and the related procedures to be applied are sufficient to meet the audit objectives established from the desk review. When an audit is being performed and additional audit procedures are required, or additional findings are discovered which may require additional audit procedures the contractor must determine if the additional time and expense is appropriate and document the justification.

Based on program experience and that of outside firms who have completed prior field audits, an average audit requires approximately 30 hours of pre-audit preparation, 155 hours of on-site examination, and 35 hours to complete in-house review after field work is completed.

It is estimated that the contractor will complete approximately 85-100 field audits per year depending on budget constraints.

C. The PFA audits are an examination of financial records and underlying documentation which support



expenditures made from the PFA on behalf of recipients. The procedure is to test those expenditures for compliance with the applicable laws and regulations, to render an opinion on the accounting and management of the funds and to propose any changes in the providers' procedures or refunds of inappropriate expenditures. In conjunction with the review of the PFA the Contractor tests the providers' claims filed and paid by DMAS to verify that the correct amount of patient pay was reported by the provider on the claim.

Based on DMAS experience in completing the PFA audits, an average audit requires approximately 40 hours to complete.

It is estimated that DMAS will assign from 100 to 120 PFA audits per year to the selected Contractor.

D. DSH Audits are an examination of DSH hospitals for compliance with federal DSH limits and a state report. There are approximately 38 in-state DSH hospitals and out-of-state DSH hospitals (limited scope).

### **3.3 Appeals Representation**

The Contractor will assist the DMAS by presenting the Agency's position in the administrative appeals processes in conjunction with appeals by providers of adjustments that have been applied to the provider resulting from cost report settlements, field audits and PFA audits that the contractor has performed. The DMAS has two levels of administrative appeals generally referred to as the informal level and the formal level. At the informal level the Contractor prepares the DMAS case summary and represents the DMAS at an informal conference with the provider before a DMAS employee Appeals Agent. At the formal level, the Contractor assists the DMAS staff counsel in preparing the case summary and acts as a witness at a hearing before a hearing officer as appointed by the Virginia Supreme Court.

Based on DMAS experience, the current contractor has provided approximately 1000 hours annually of staff time in performance of this function depending on the review of claims associated with patient pay and credit balances.

### **3.4 General Consulting and Other Audit Services**

The consulting services will generally be limited to projects for the PRD; however, these services will be available for all areas of DMAS. The work plan and hours required for each project shall be agreed upon between the DMAS and the Contractor prior to commencement of work.

- A. The contractor must be able to cost fee-for-service and managed care inpatient and outpatient claims using per diems and cost to charge ratios applied to cost center from the CMS-2552 or 2540 and applying them to revenue codes on the claims.
- B. The contractor must have skills and resources to advise and assist DMAS in the completion of Upper Payment Limit demonstrations that CMS requires annually.
- C. DMAS intends to use the contractor for selected reimbursement projects, such as:
  - a. Inpatient and outpatient hospital rebasing



- b. Supplemental payment calculations for non-state government owned nursing facilities
  - c. Determining direct and indirect nursing home costs
  - d. FQHC reimbursement options
- D. Financial reporting recommendations for managed care plans
- E. Financial audits of managed care plans, such as:
  - a. Administrative cost audits
  - b. Related Party audits
  - c. Profit and Medical Loss Ratio audits
- F. Review and analysis of Consumer Directed Waiver Services
- G. Accounts Receivable functions for fiscal reporting

### **3.5 Goals**

- A contractual agreement with a responsible and responsive Certified Public Accounting Firm, with office(s) in Virginia, or agreement that an office(s) will be established in Virginia.
- A highly competitive and cost effective price for services for the Commonwealth.
- A competitive procurement that is timely and adheres to state laws and federal regulations.
- Completed cost settlements and audit verifications and / or services, which will allow required time frames to be efficiently and economically met.
- A consistent application of audit/verification procedures and state and federal laws and regulations by trained and technically competent auditors.

### **3.6 Contractor Responsibilities**

- A. Limit Individuals Assigned: The Contractor will be required to assign dedicated staff to perform the DMAS audits on an on-going basis to ensure consistency of knowledge and application of the DMAS policies and regulations during the contract period. Specify the names, qualifications, professional level, and number of individuals to be assigned. DMAS dissatisfaction with the performance of the assigned individual(s) may be grounds for cancellation of the Contract.
- B. Conferences with the DMAS: The Contractor will be prepared to attend audit conferences with appropriate DMAS representatives.
- C. Exit Conference: The Contractor will hold an exit interview with the audited provider at the conclusion of the on-site review to discuss audit findings and proposed adjustments.
- D. Interpretation of Regulations: The Contractor will refer questions of interpretation of the reimbursement regulations to the appropriate designated DMAS representative. Should the Contractor not



agree with the DMAS interpretation, the firm will accept the written reply of the appropriate designated DMAS representative as controlling.

E. Working Papers: On request the Contractor will furnish to the DMAS copies of all adjustments recommended and all audit working papers and correspondence for each provider.

The Contractor will be required to maintain and store all original working papers and correspondences based on the DMAS approved records retention plan and follow the approved disposal procedures. The current contractor maintains 300 cubic feet of files on site and 950 cubic feet of off-site storage. It will be the responsibility of the new contractor to relocate all files maintained by the existing contractor.

F. Management Reports: The Contractor will provide to the provider a written statement of those matters which came to the auditors' attention in the performance of the audit, including comments on the accounting procedures, systems of internal control, and any other matters which would reflect on the fairness of costs as reported by the provider.

G. Confidentiality of Audit Procedures: The Contractor will maintain the confidentiality of the provider, the audit program, steps, and procedures, and the data analyzed in the performance of the audits.

H. Contractor's Time Requirements: The Contractor will specify the lead time necessary for scheduling audits and a reasonable turnaround time must be stipulated (specify days or weeks). The DMAS shall determine the reasonableness of these time frames.

I. Non-Reimbursable Audit Time and Expenses: The Contractor will agree that excess audit time shall not be reimbursable where it is determined that unreasonable utilization of its personnel or use of inexperienced personnel in performing the DMAS audits, or unreasonable travel expenses were incurred because the Contractor staffed the DMAS audit from another office not in the closest location to the provider.

J. Time Summary: The Contractor will agree to submit to the DMAS, an estimation of time planned for the agreed upon procedures and a time summary of the total hours expended on each audit step or procedure at the conclusion of each audit.

K. Confidentiality of Medicaid Information: The contractor will maintain the confidentiality of Medicaid information in accordance with the following:

1. The Contractor agrees to ensure that access to Medicaid information will be limited to the Contractor. The Contractor shall take measures to prudently safeguard and protect unauthorized disclosure of the Medicaid information in its possession. The Contractor shall establish internal policies to ensure compliance with federal and state laws and regulations regarding confidentiality including, but not limited to, 42 CFR

§ 431, Subpart F, and Virginia Code Section 2.1-377, et. seq. In no event shall the Contractor provide, grant, allow, or otherwise give, access to Medicaid information to anyone without the express written permission of the Director of DMAS. The Contractor assumes all liabilities under



both state and federal law in the event that the information is disclosed in any manner.

2. Upon the Contractor receiving any requests for the Medicaid information from any individual, entity, corporation, partnership or otherwise, the Contractor must notify DMAS within twenty-four (24) hours. The Contractor shall ensure that there will be no disclosure of the data except through DMAS. DMAS will treat such requests in accordance with DMAS policies.

3. In cases where the information requested by outside sources is releasable under the Freedom of Information Act (FOIA), as determined by DMAS, the Contractor shall provide support for copying and invoicing such documents.

L. The Contractor will be responsible for providing all computer equipment necessary to perform the services required under RFP 2017-06, including CITRIX Portal Remote Access capability in accordance with DMAS specifications.

M. Training - The Contractor will be prepared to have staff members who are assigned to perform desk settlements and/or field verifications attend on-site training and orientation programs provided by the DMAS, if necessary, and that the audit firm will not bill the DMAS for staff time spent in such training and orientation programs.

N. HIPPA Requirements - To the extent that the Contractor uses one or more subcontractors or agents to provide services under this Contract, and such subcontractors or agents receive or have access to protected health information (PHI), each such subcontractor or agent shall sign a Business Associate Agreement with the Contractor that complies with HIPAA. The Contractor shall ensure that any agents and subcontractors to whom it provides PHI received from the Department (or created or received by the Contractor on behalf of the Department) agree in writing to the same restrictions, terms, and conditions relating to PHI that apply to the Contractor pursuant to this Contract.

O. The Department shall have the option to review and approve all such written agreements between the Contractor and its agents and subcontractors prior to their effectiveness.

#### **4. REPORTING AND DELIVERY REQUIREMENTS**

##### **4.1 Report on Each Engagement**

The Contractor will issue a report to DMAS of the results of applying agreed upon procedures for each cost settlement, field audit and application settlement and/or PFA audit performed, quarterly. Included with the cost report settlements sent to providers will be the NPR letter with rates for the subsequent cost reporting period as applicable, the revised cost report and the adjustments being applied, all of which are placed in a repository on DMAS web-portal or mailed to the provider. Included with the report for PFA audits, also placed in the repository, will be a copy of a detail listing of claims with incorrectly reported patient pay amounts as well as any errors in accounting for the patients' personal funds that the provider must correct. By regulation, setting of the prospective rate for the subsequent year resulting from a cost settlement must





be completed within 180 days of the date the cost report is filed.

#### **4.2 Monthly Progress Reports**

The Contractor must prepare written progress reports on a monthly basis and present these reports to the Manager, Cost Settlement and Audit Unit, in the Provider Reimbursement Division.

The reports must include:

- A. Status of major activities and tasks in relation to the Contractor's work plan, including specific tasks completed for each part of the project.
- B. Target dates completion of remaining tasks.
- C. Any potential delays in reaching target dates and the basis for such a conclusion.
- D. Any revisions to the overall work schedule.

#### **4.3 Delivery**

Failure to complete the audits within the scheduled time frames may be cause for termination of the contract, unless there are documented delays caused by the provider under examination.

### **5. DMAS RESPONSIBILITIES**

DMAS will provide a contract coordinator to maintain communication with the Contractor on a daily basis. The primary responsibilities of DMAS and the contract coordinator include:

- a) Make the final decisions regarding all policy issues;
- b) Provide on-going project review and evaluation to include announced and unannounced visits to ensure regulatory compliance;
- c) Provide Contractor with existing licensed software arrangements (currently Health Financial Systems) to use in the analysis and revision of CMS Forms 2552 and 2540 as filed by providers.
- d) Review and approve any Contractor written policy, subcontracts and/or procedural communications to providers and others prior to release;
- e) Provide oversight and directions to assist contractor in training of staff for changes in reimbursement regulations and/or DMAS required procedures;
- f) Perform periodic audits of contractor's contractual compliance. Such audits will commence upon 30 days written notice by the DMAS Division of Internal Audit to the Contractor that DMAS will be conducting a review of enumerated aspects of Contractor's contractual compliance. The scope and estimated duration of each such review will be specified in writing.

### **6. PAYMENTS TO THE CONTRACTOR**





Payments to the Contractor will be made monthly at the contracted hourly rates by level of staff for billed hours of Contractor time spent in performing the required contractual services plus travel expenses of the Contractor's staff traveling to and from provider locations in order to conduct field audits, PFA audits and/or other services required to be performed at sites other than the Contractor's office(s). The overall annual total of payments to the Contractor for the contracted services will be limited to the total amount agreed to by the DMAS and the Contractor in the contract negotiations. Payments to the Contractor will also be subject to the General Terms and Conditions and the Special Terms and Conditions of Sections 9 and 10 respectively of this RFP.

### **6.1 Travel Expense Limitations**

The Contractor will be subject to the overall effect of limitations on travel reimbursement as imposed on State employees by the Virginia Department of Accounts policies and procedures manual (CAPP Manual).

### **6.2 Monthly Billing**

The Contractor will be paid monthly based on a monthly bill submitted by the 10<sup>th</sup> day of the following month. The monthly billing from the Contractor must identify by provider and provider period or by project, the type(s) of contractual services performed, Contractor staff level performing the services, and number of hours performed by each such staff level for that cost report, or PFA audit or project. The monthly bill will be summarized by type of service by provider, also by type of service and in total. Travel expenses for offsite travel to and from provider sites in the performance of auditing or other services will be in like manner identified by type of out-of-pocket expense, by provider and provider period and summarized by type of service performed and in total.

### **6.3 Payment of Invoice**

The Contractor must furnish DMAS with detailed invoices or bills identifying the Federal tax identification number, the contract number, the task, the number of hours worked by each person assigned to the task, the corresponding hourly rate, and allowable out-of-pocket expenses. Invoices for out-of-pocket expenses shall be accompanied by supporting receipts. The invoice shall be sent via email to [BCMinvoices@dmass.virginia.gov](mailto:BCMinvoices@dmass.virginia.gov) and the DMAS contract administrator. Each invoice submitted by the Contractor shall be subject to DMAS approval based on satisfactory performance of contracted services and compliance with all contract terms.

Payment will be made no later than thirty (30) days after receipt of a correct invoice for such payment. When payment is made by mail, the date of the postmark shall be deemed to be the date of payment. Any amounts due the Commonwealth under the terms of this Agreement may be applied against the Contractor's invoice with appropriate information attached.

The payment of the invoice, by the Department, shall not prejudice the Department's right to object to or



question any invoice or matter in relation thereto. Such payment by the Department shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

#### **6.4 Payment Reductions**

The Contractor's invoice Shall be subject to reduction for amounts included in any invoice or payment that are determined by the Department not to constitute proper remuneration for compensable services on the basis of work conducted in accordance with the terms of this RFP.

### **7. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS**

Each Offeror must have submitted timely a Letter of Intent (LOI), for its proposal to be considered. Each Offeror shall submit a Technical Proposal in relation to the requirements described in this RFP. The following describes the general requirements and the specific requirements for the Technical Proposal.

#### **General Requirements for Technical Proposal**

##### **7.1. Overview**

The Technical Proposal shall be developed and submitted in accordance with the instructions outlined in this section. The Offeror's proposal shall be prepared simply and economically, and shall include a straightforward, concise description of the Offeror's capabilities that satisfy the requirements of the RFP. Although concise, the proposal should be thorough and detailed so that DMAS may properly evaluate the Offeror's capacity to provide the required services. All descriptions of services should include an explanation of proposed methodology, where applicable. The proposal may include additional information that the Offeror considers relevant to this RFP.

The proposal shall be organized in the order specified in this RFP. A proposal that is not organized in this manner risks reduced scoring if the evaluators, at their sole discretion, are unable to find where the RFP requirements are specifically addressed. Failure to provide information required by this RFP may result in a lower scoring of the proposal.

The proposal may include any additional information that the Offeror considers relevant to this RFP.

##### **7.2 Critical Elements of the Technical Proposal**

The proposal shall contain a Table of Contents that cross-references the RFP submittal requirements in Section 3 and 4. Each section of the Technical Proposal shall be cross-referenced to the appropriate section of the RFP that is being addressed. This will assist DMAS in determining uniform compliance with specific RFP requirements.



The following describes the required format, content, and sequence of presentations for the Technical Proposal:

#### **7.2.1 Chapter One: Executive Summary**

The Executive Summary Chapter shall highlight the Offeror's:

- Understanding of the scope of work requirements.
- Qualifications to serve as the DMAS Contractor for the project.
- Overall Approach to the scope of work and a summary of the contents of the proposal.
- Provide a capacity summary (physical plant, equipment, and critical personnel) including a discussion of the Offeror's capacity to successfully provide the desired services in light of other potential and known demands upon those resources.

**7.2.2 Chapter Two: Offeror's Qualifications:** The proposal must include a summary of the Offeror's qualifications. The nature and importance of the work requires very strong qualifications. Documentation of experience and credentials is necessary. Special emphasis will be placed upon experience in performing audits for state or federal government human services organizations.

- Qualifications of personnel
- Prior experience with similar projects.
- Identified conflicts as referenced at §7.6.
- Appropriateness of the relationship between staff qualifications and assigned responsibilities.
- Capability of the personnel assigned to the project to audit for compliance with applicable health care regulations, to propose adjustments to costs submitted for reimbursement when appropriate, and to produce working papers which support conclusions reached in the audit engagement.
- Capability of the project director to successfully manage the project.

**7.2.3 Chapter Three: Summary of Key Staff:** The proposal must include a staff summary and identification of key staff for each scope of work, to include a qualified project director who will be working on the project, and their relevant experience. Professional resumes must be included.

#### **7.2.4 Chapter Four: Proposal/ Work Plan:**

##### **A. Cost Reporting, Audits, and Settlements:**

Reference Sections 3.1-3.3 for this portion of the proposal.

- The clarity and completeness of the proposal related to the Offeror's approach to and completion of the audits and management of the assigned personnel.
- The lead-time to begin an audit, and the turnaround time to complete the expected work.
- The work plan distribution of person hours for each part of the project.
- Estimate of Hours by Level: The proposal must include an estimate of hours required by each level of professional in completion of a routine Medicaid audit in each of the three basic audit areas (desk audit, field audit and PFA audit) as described in the Nature and Scope of Services (Section 3). Total Allocated Hours by Audit Area:



The proposal must include an estimate of hours per year that could be allocated in total and by each audit area to the DMAS audits. Offerors must estimate those hours by the time of year that would be available for the DMAS audits. Out-of-Pocket Expenses: The proposal must identify the types of expenses normally incurred as out-of-pocket expenses, and the Offeror's policy with regard to reimbursement of such expenses.

**B. General Consulting and Other Audit Services:**

In accordance with Section 3.4, describe relevant experience and provide examples of similar types of work.

**7.2.5 Chapter Five: References:** The proposal must include at least three references from past and/or current commercial or government accounts for work of a similar nature (see Attachment I). The Offeror must provide a comprehensive listing of contracts of similar size and scope that the Offeror has successfully completed, including contracts with other State Medicaid Agencies, as evidence of their ability to successfully complete the services required by this RFP. A description of all such contracts should be included and should show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the Offeror should provide the name and telephone number of a contact person. In addition, the Offeror must provide the names, titles, addresses, and telephone numbers of three (3) references from among commercial or government clients for whom it has performed similar work during the past three years. Offeror should also ensure references provided are willing to respond to a written questionnaire provided by DMAS concerning Offerors contractual performance. **DMAS or DMAS staff shall not be listed as a reference in the Offerors response to this section.**

**7.2.5 Chapter Six: Required Forms**

This chapter shall contain the signatory documents as outlined in the RFP. These include the following:

- RFP Cover Sheet
- RFP Addenda (if issued)
- Offerors Transmittal Letter
- Certification of Compliance with Prohibition of Political Contributions and Gifts During the Procurement Process (Attachment II)
- Proprietary/Confidential Information Identification Form (Attachment III)
- State Corporation Commission Form (Attachment IV)

**7.3 Binding of Proposal**

The Technical Proposal shall be clearly labeled "Technical Proposal for RPF 2017- 06 on the front cover. The legal name of the organization submitting the proposal shall also appear on the cover of the Proposal.

The Technical Proposal shall be typed, bound, and page-numbered, single-spaced with a 12-point font on 8 1/2" x 11" paper with 1" margins and printed on one side only. Each copy of the Technical Proposal and all documentation submitted shall be contained in single three-ring binder volumes where practical. A tab sheet



keyed to the Table of Contents shall separate each major section. The title of each major section shall appear on the tab sheet.

The Offeror shall submit an original and five (5) copies of the Technical Proposal by the response date and time specified in this RFP. Each copy of the proposal shall be bound separately. This submission shall be in a sealed envelope or sealed box clearly marked "RFP 2017-06 Technical Proposal". The Offeror shall also submit one electronic copy (compact disc preferred) of their Technical Proposal in MS Word format (Microsoft Word 2000 or compatible format). In addition, the Offeror shall submit a redacted (proprietary and confidential information removed) electronic copy of their Technical Proposal.

## **7.5 Submission Requirements**

All information requested in this RFP shall be submitted in the Offeror's proposals. By submitting a proposal in response to this RFP, the Offeror certifies that all of the information provided is true and accurate. Failure to provide information required by this RFP may ultimately result in a lower scoring of the proposal.

All data, materials and documentation originated and prepared for the Commonwealth pursuant to this RFP belong exclusively to the Commonwealth and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act. Confidential information shall be clearly marked in the proposal and reasons the information should be confidential shall be clearly stated.

Trade secrets or proprietary information submitted by an Offeror are not subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protections of § 2.2-4342(F) of the Code of Virginia, in writing, either before or at the time the data is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary.

The proprietary or trade secret materials submitted shall be identified by some distinct method such as highlighting or underlining and shall indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document as proprietary or trade secrets is not acceptable and, in the sole discretion of DMAS, may result in rejection and return of the proposal.

All information requested by this RFP on ownership, utilization and planned involvement of small businesses, women-owned businesses and minority-owned business shall be submitted with the original copy of the Offeror's Technical Proposal.

## **7.6 Transmittal Letter**

The transmittal letter shall be on official organization letterhead and signed by the individual authorized to legally bind the Offeror to contract agreements and the terms and conditions contained in this RFP. The organization official who signs the proposal transmittal letter shall be the same person who signs the cover page of the RFP and Addenda.



At a minimum, the transmittal letter shall contain the following:

1. A statement that the Offeror meets the required conditions to be an eligible candidate for the contract award including:
  - a) The Offeror and any related entities must identify any contracts or agreements they have with any state or local government entity that is a Medicaid and/or Title XXI State Child Health Insurance Program provider or Contractor and the general circumstances of the contract or agreement. This information will be reviewed by DMAS to ensure there are no potential conflicts of interest;
  - b) Offeror must be able to present sufficient assurances to the state that the award of the contract to the Offeror will not create a conflict of interest between the Contractor, the Department, and its subcontractors; and
  - c) The Offeror must be licensed to conduct business in the state of Virginia.
2. A statement that the Offeror has read, understands and agrees to perform all of the Contractor responsibilities and comply with all of the requirements and terms set forth in this RFP, any modifications of this RFP, the Contract and Addenda;
3. The Offeror's general information, including the address, telephone number, and facsimile transmission number;
4. Designation of an individual as the authorized representative of the organization who will interact with DMAS on any matters pertaining to this RFP and the resultant Contract; and
5. A statement agreeing that the Offeror's proposal shall be valid for a minimum of 180 days from its submission to DMAS.

#### **7.7 Signed Cover Page of the RFP and Addenda**

To attest to all RFP terms and conditions, the authorized representative of the Offeror shall sign the cover page of this RFP as well as the cover page of the Addenda, if issued, to the RFP and submit this along with its proposal.

#### **7.8 Procurement Contact**

The principal point of contact for this procurement in DMAS shall be:

Mary Hairston  
Manager, Cost Settlement and Audit  
Virginia Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, VA 23219  
E-mail: RFP2017-06@dmass.virginia.gov

All communications with DMAS regarding this RFP should be directed to the principal point of contact. All RFP content-related questions shall be in writing to the principal point of contact or the DMAS Contract Management Officer. An Offeror who communicates with any other employees or Contractors of DMAS



concerning this RFP after issuance of the RFP may be disqualified from this procurement.

## **7.9 Submission and Acceptance of Proposals**

The proposals, whether mailed or hand delivered, shall arrive at DMAS no later than 10:00 a.m. E.T. on October 10, 2017. DMAS shall be the sole determining party in establishing the time of arrival of proposals. Late proposals shall not be accepted and shall be automatically rejected from further consideration. The address for delivery is:

**Proposals may be sent by US mail, Federal Express, UPS, etc. to:**

Attention: Whitney Speece  
Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, VA 23219

**Hand Delivery or Courier to:**

Attention: Whitney Speece  
Department of Medical Assistance Services  
7th Floor DMAS Receptionist  
600 East Broad Street  
Richmond, VA 23219

DMAS reserves the right to reject any or all proposals. Reference *Code of Virginia* § 2.2-4319. DMAS reserves the right to delay implementation of the RFP if a satisfactory Offeror is not identified or if DMAS determines a delay is necessary to ensure implementation goes smoothly without service interruption. Offerors must check the eVA VBO at <http://www.eva.virginia.gov> for all official postings of addendums or notices regarding this RFP. DMAS also intends to post such notices on the DMAS website at <http://www.dmas.virginia.gov/Content/pgs/rfp.aspx> but the eVA VBO is the official posting site that Offerors must monitor.

## **7.10 Oral Presentation and Site Visit**

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- DMAS Review of Industry Publications and Literature
- Offeror Presentations
- Site Visits to Offeror
- Contacting Offeror's References
- Product Demonstrations by the Offeror
- Obtain a Dun and Bradstreet Report on the Offeror
- Obtain a Securities Exchange Commission Report on the Offeror
- Requesting Offeror to elaborate on and/or clarify specific portions of its proposals





No Offeror is guaranteed an opportunity to explain, supplement or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend or clarify any aspect of its submitted proposals. Therefore, each Offeror is encouraged to ensure that its initial proposal contains and represents its best offer.

Offerors should be prepared to conduct product demonstrations, presentations or site visits at the time, date and location of DMAS' choice, should DMAS so request.

DMAS may make one or more on-site visits to see the Offeror's operation of another contract. DMAS shall be solely responsible for its own expenses for travel, food and lodging.

#### **7.11 RFP Schedule of Events**

The following RFP Schedule of Events represents the State's proposed timeframe that shall be followed for implementation of the program.

<b>EVENT</b>	<b>DATE</b>
State Issues RFP	September 5, 2017
Deadline for Letter of Intent and Written Comments	September 19, 2017
Deadline for Submitting a Proposal to the Department	October 10, 2017
Implementation Date	January 1, 2018

If it becomes necessary to revise any part of this RFP, or if additional data are necessary for an interpretation of provisions of this RFP prior to the due date for proposals, an addendum will be issued. Offerors must check eVA VBO at <http://www.eva.virginia.gov> for all official addenda or notices regarding this RFP. While DMAS also intends to post such notices on the DMAS website at [http://www.dmas.virginia.gov/Content\\_pgs/rfp.aspx](http://www.dmas.virginia.gov/Content_pgs/rfp.aspx), eVA is the official and controlling posting site. If supplemental releases are necessary, the Department reserves the right to extend the due dates and time for receipt of proposals to accommodate such interpretations of additional data requirements.

Prior submission of a Letter of Intent shall be a prerequisite for submitting a proposal; proposals shall not be accepted from Offerors who have not submitted a Letter of Intent by the deadline specified in this RFP. Each Offeror shall submit a Technical Proposal in relation to the requirements described in this RFP. The following describes the general requirements for each proposal and the specific requirements for the Technical Proposal.

#### **8. PROPOSAL EVALUATIONS AND AWARD CRITERIA**

DMAS will evaluate the proposals received in response to this RFP in accordance with the instructions contained herein and the Virginia Public Procurement Act (Va. Code § 2.2-4300, *et seq.*).





DMAS will initially determine if each proposal addresses the minimum RFP requirements to permit a complete evaluation of the proposal. Proposals shall comply with the instructions contained throughout this RFP. Failure to comply with the instructions may result in a lower score or elimination from further consideration. DMAS reserves the right to waive minor irregularities.

## 8.1 Evaluation of Minimum Requirements

The minimum requirements for a proposal to be given consideration are:

**RFP Cover Sheet:** This form shall be completed and properly signed by the authorized representative of the organization.

**Letter of Intent (LOI):** Submitted before due date and time.

**Closing Date:** The proposal shall have been received, as provided in Section 7.9, before the closing of acceptance of proposals in the number of copies specified.

**Mandatory Conditions:** All mandatory General and Specific Terms and Conditions contained in Sections 9 and 10 shall be accepted.

## 8.2 Proposal Evaluation Criteria

Offerors must demonstrate an understanding of all of the technical requirements as specified in the RFP. Offerors also must demonstrate it has the capacity, capability, and relevant experience and expertise to perform the requirements specified in this RFP. Proposals will be evaluated using a numerical scoring system consistent with the following factors:

Criteria	Weights
<b>1. General Quality and Adequacy of Response</b>	30%
a) Agreement to comply with all general and the ability to perform specific requirements and conditions (Sections 3 and 4).	
b) Responsiveness to information furnished and goals stated in Scope of Work (Section 3).	
c) Demonstrated knowledge of Medicare and Medicaid Principles of Reimbursement.	
d) Audit hours available to perform the DMAS audits under contract	
e) Clear understanding of the project as demonstrated in the responses to the RFP	
<b>2. Technical Proposal/Work Plan</b>	35%
a) The clarity and completeness of the proposal related to the Offeror's approach to and completion of the audits and management of the assigned personnel.	
b) The lead-time to begin an audit, and the turnaround time to complete the expected work.	
c) The work plan distribution of person hours for each part of the project.	
d) Demonstrated ability to perform General Consulting and Other Auditing Services (Section 3.4).	
<b>3. Contractor Qualifications</b>	
a) Qualifications of personnel	



Criteria	Weights
b) Prior experience with similar projects.	30%
c) Appropriateness of the relationship between staff qualifications and assigned responsibilities.	
d) Capability of the personnel assigned to the project to audit for compliance with applicable health care regulations, to propose adjustments to costs submitted for reimbursement when appropriate, and to produce working papers which support conclusions reached in the audit engagement.	
e) Capability of the project director to successfully manage the project.	
4. Quality of References	5%

### 8.3 Award Schedule

The Department intends to award a contract as soon as possible. The operational begin date for the contract is January 1, 2018. The initial contract will be for a two- (2) year period, with provisions for four (4) one-year renewals, in accordance with Section 10.15. All deliverables are due by the dates indicated by the agreed upon lead, turn around, and audit time frames indicated by the scope of the audit to be performed.



## 9. GENERAL TERMS AND CONDITIONS

### 9.1 **VENDORS MANUAL:**

This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.eva.virginia.gov](http://www.eva.virginia.gov) under "Vendors Manual" on the vendors tab.

### 9.2 **APPLICABLE LAWS AND COURTS:**

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia, without regard to its choice of law provisions, and any litigation with respect thereto shall be brought in the circuit courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

### 9.3 **ANTI-DISCRIMINATION:**

By submitting its proposals, Offerors certify to the Commonwealth that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §2.2-4311 of the Virginia Public Procurement Act (VPPA), and any other applicable laws. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, sex, gender, disability or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

To the extent allowed by Federal and State law, the Contractor agrees not to discriminate on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status. The Contractor must include the same requirements in every subcontract or purchase order over \$10,000, so that the same provisions will be binding upon each subcontractor or vendor.

In every contract over \$10,000, the provisions in Sections 9.3.1 and 9.3.2. below apply:

#### **9.3.1. During the performance of this contract, the Contractor agrees as follows:**

- a) The Contractor will not discriminate against any employee or applicant for employment



because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- b) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
- c) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d) The requirements of these provisions 9.3.1. and 9.3.2. are a material part of the contract. If the Contractor violates one of these provisions, the Commonwealth may terminate the affected part of this contract for breach, or at its option, the whole contract. Violation of one of these provisions may also result in debarment from State contracting regardless of whether the specific contract is terminated.
- e) In accordance with Executive Order 61 (2017), a prohibition on discrimination by the contractor, in its employment practices, subcontracting practices, and delivery of goods or services, on the basis of race, sex, color, national origin, religion, sexual orientation, gender identity, age, political affiliation, disability, or veteran status, is hereby incorporated in this contract.

**9.3.2.** The Contractor will include the provisions of 9.3.1 above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

#### **9.4 ETHICS IN PUBLIC CONTRACTING:**

By submitting their proposals, Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

#### **9.5 IMMIGRATION REFORM AND CONTROL ACT OF 1986:**

By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal



Immigration Reform and Control Act of 1986.

**9.6 DEBARMENT STATUS:**

By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.

If a vendor is created or used for the purpose of circumventing a debarment decision against another vendor, the non-debarred vendor will be debarred for the same time period as the debarred vendor.

**9.7 ANTITRUST:**

By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

**9.8 MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS**

Failure to submit a proposal on the official state form, in this case the completed and signed RFP Cover Sheet, may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

**9.9 CLARIFICATION OF TERMS:**

If any prospective Offeror has questions about the specifications or other solicitation documents, the prospective Offeror should contact Mary Hairston no later than September 19, 2017. Any revisions to the solicitation will be made only by addendum issued by the buyer.

**9.10 PAYMENT:**

**1. To Prime Contractor:**

- a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.



- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the contract price, regardless of which public agency is being billed.
    - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
    - e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be resolved in accordance with *Code of Virginia*, § 2.2-4363 and -4364. Upon determining that invoiced charges are not reasonable, the Commonwealth shall notify the contractor of defects or improprieties in invoices within fifteen (15) days as required in *Code of Virginia*, § 2.2-4351. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).
2. To Subcontractors:
  - a. Within seven (7) days of the contractor's receipt of payment from the Commonwealth, a contractor awarded a contract under this solicitation is hereby obligated:
    - (1) To pay the subcontractor(s) for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
    - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
  - b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
3. Each prime Contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.



**9.11 PRECEDENCE OF TERMS:**

The following General Terms and Conditions: *VENDORS MANUAL*, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

**9.12 QUALIFICATIONS OF OFFERORS:**

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Offeror to perform the services/furnish the goods and the Offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect Offeror's physical facilities prior to award to satisfy questions regarding the Offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Offeror fails to satisfy the Commonwealth that such Offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.

**9.13 TESTING AND INSPECTION:**

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to ensure goods and services conform to the specifications.

**9.14 ASSIGNMENT OF CONTRACT:**

A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth. Any assignment made in violation of this section will be void.

**9.15 CHANGES TO THE CONTRACT:**

Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. The Department may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Department a credit for any savings. Said compensation shall be determined by one of the following methods:
  - a. By mutual agreement between the parties in writing; or
  - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be





done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Department's right to audit the Contractor's records and/or to determine the correct number of units independently; or

- c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Department with all vouchers and records of expenses incurred and savings realized. The Department shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Department within thirty (30) days from the date of receipt of the written order from the Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by the Department or with the performance of the contract generally.

#### **9.16 DEFAULT:**

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies, which the Commonwealth may have.

#### **9.17 INSURANCE:**

By signing and submitting a bid or proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

#### **MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:**

1. Workers' Compensation: Statutory requirements and benefits: Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.





2. Employer's Liability: \$100,000.
3. Commercial General Liability: \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability: \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)
5. Professional Liability/Errors and Omission \$1,000,000 per occurrence, \$3,000,000 aggregate.

**9.18 ANNOUNCEMENT OF AWARD:**

Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the Department will publicly post such notice on the DGS/DPS eVA web site ([www.eva.state.va.us](http://www.eva.state.va.us)) for a minimum of 10 days.

**9.19 DRUG-FREE WORKPLACE:**

During the performance of this contract, the Contractor agrees to:

1. Provide a drug-free workplace for the Contractor's employees;
2. Post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
3. State in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and
4. Include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

**9.20 NONDISCRIMINATION OF CONTRACTORS:**

A Bidder, Offeror, or Contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or Offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.



#### **9.21 eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION:**

The eVA Internet electronic procurement solution, web site portal [www.eva.state.va.us](http://www.eva.state.va.us), streamlines and automates government purchasing activities in the Commonwealth. The portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or Offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

1. eVA Basic Vendor Registration Service: \$25 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, and electronic bidding.
2. eVA Premium Vendor Registration Service: \$200 Annual Fee plus a Transaction Fee of 1% per order received. The maximum transaction fee is \$500 per order. The eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments, and ability to research historical procurement data, as they become available.



## **10. SPECIAL TERMS AND CONDITIONS**

### **10.1 Access To Premises**

The Contractor shall allow duly authorized agents or representatives of the State or Federal Government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the State or Federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor will be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

The Department, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of services performed under this Contract.

### **10.2 Access To and Retention Of Records**

In addition to the requirements outlined below, the Contractor must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards.

#### **10.2.1 Access to Records**

The Department, its duly authorized representatives and State and Federal auditors shall have access to any books, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors.

The Department, or its duly authorized representatives, shall be allowed to inspect, copy, and audit any of the above documents, including, medical and/or financial records of the Contractor and its subcontractors.

#### **10.2.2 Retention of Records**

The Contractor shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the renewal date. When an audit, litigation, or other action involving records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.



### **10.3 Advertising**

In the event a contract is awarded for services resulting from this proposal, no indication of such sales or services to DMAS will be used in product literature or advertising without prior written permission from DMAS. The Contractor shall not state in any of its advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services without prior written permission from DMAS.

### **10.4 Audit**

The Contractor shall retain all books, records, and other documents relative to this contract for six (6) years after final payment, or longer if audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

### **10.5 Availability of Funds**

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

### **10.6 Award**

The Commonwealth shall engage in individual discussions with two or more Offerors deemed fully qualified, responsible and suitable on the basis of initial proposal and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such Offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage the public body may discuss non-binding estimates of total project costs, including, but not limited to, life-cycle costing, and, where appropriate, non-binding estimates of price for services. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, the purchasing agency shall select, in the order of preference, two or more Offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the Offeror ranked first. If a contract satisfactory and advantageous to the purchasing agency can be negotiated at a price considered fair and reasonable, the award shall be made to that Offeror. Otherwise, negotiations with the Offeror ranked first shall be formally terminated and negotiations conducted with the Offeror ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that Offeror.

### **10.7 Cancellation of Contract**

The Department reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon thirty (30) days written notice to the Contractor. Any contract cancellation notice



shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding services issued prior to the effective date of cancellation.

#### **10.7.1 Termination**

This Contract may be terminated in whole or in part:

- a. By the Department, for convenience, with not less than thirty (30) days prior written notice, which notice shall specify the effective date of the termination,
- b. By the Department, in whole or in part, if funding from Federal, State, or other sources is withdrawn, reduced, or limited;
- c. By the Department if the Department determines that the instability of the Contractor's financial condition threatens delivery of services and continued performance of the Contractor's responsibilities; or
- d. By the Department if the Department determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities.

Each of these conditions for contract termination is described in the following paragraphs.

#### **10.7.2 Termination for Convenience**

The Contractor may terminate this Contract with or without cause, upon six (6) full calendar months written notice to the Department. In addition, the Contractor may terminate the Contract by opting out of the renewal clause.

#### **10.7.3 Termination for Unavailable Funds**

The Contractor understands and agrees that the Department shall be bound only to the extent of the funds available or which may become available for the purpose of this resulting Contract. When the Department makes a written determination that funds are not adequately appropriated or otherwise unavailable to support continuance of performance of this Contract, the Department shall, in whole or in part, cancel or terminate this Contract.

The Department's payment of funds for purposes of this Contract is subject to and conditioned upon the availability of funds for such purposes, whether Federal and/or State funds. The Department may terminate this Contract upon written notice to the Contractor at any time prior to the completion of this Contract, if, in the sole opinion of the Department, funding becomes unavailable for these services or such funds are restricted or reduced. In the event that funds are restricted or reduced, it is agreed by both parties that, at the sole discretion of the Department, this Contract may be amended. If the Contractor shall be unable or unwilling to provide covered services at reduced rates, the Contract shall be terminated.

No damages, losses, or expenses may be sought by the Contractor against the Department, if, in the sole determination of the Department, funds become unavailable before or after this Contract between the parties is executed. A determination by the Department that funds are not appropriated or are otherwise inadequate or unavailable to support the continuance of this Contract shall be final and conclusive.



#### **10.7.4 Termination Because of Financial Instability**

In the event the Contractor becomes financially unstable to the point of threatening the ability of the Department to obtain the services provided for under the Contract, ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, the Department may, at its option, immediately terminate this Contract effective at the close of business on a date specified by the Department. In the event the Department elects to terminate the Contract under this provision, the Contractor shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor shall submit a written waiver of the licensee's rights under the Federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a principal network provider or subcontractor, the Contractor shall immediately so advise the Department. The Contractor shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

#### **10.7.5 Termination for Default**

The Department may terminate the Contract, in whole or in part, if the Department determines that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract and is unable to cure such failure within a reasonable period of time as specified in writing by the Department, taking into consideration the gravity and nature of the default. Such termination shall be referred to herein as "Termination for Default."

Upon determination by the Department that the Contractor has failed to satisfactorily perform its duties and responsibilities under this Contract, the Contractor shall be notified in writing, by either certified or registered mail, of the failure and of the time period which has been established to cure such failure. If the Contractor is unable to cure the failure within the specified time period, the Department will notify the Contractor in writing within thirty (30) calendar days of the last day of the specified time period that the Contract, has been terminated in full or in part, for default. This written notice will identify all of the Contractor's responsibilities in the case of the termination, including responsibilities related to enrollee notification, network provider notification, refunds of advance payments, return or destruction of Department data and liability for medical claims.

In the event that DMAS determines that the Contractor's failure to perform its duties and responsibilities under this contract results in a substantial risk to the health and safety of Medicaid or FAMIS enrollees, DMAS may terminate this contract immediately without notice.

If, after notice of termination for default, it is determined by the Department or by a court of law that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control of and without error or negligence on the part of the Contractor or any of its subcontractors, the notice of termination shall be deemed to have been issued as a termination for the convenience of the Department, and the rights and obligations of the parties shall be governed accordingly.

In the event of termination for default, in full or in part, as provided for under this clause, the Department may procure from other sources, upon such terms and in such manner as is deemed appropriate by the



Department, supplies or services similar to those terminated, and the Contractor shall be liable for any costs for such similar supplies and services and all other damages allowed by law. In addition, the Contractor shall be liable to the Department for administrative costs incurred to procure such similar supplies or services as are needed to continue operations. In the event of a termination for default prior to the start of operations, any claim the Contractor may assert shall be governed by the procedures defined by the Department for handling contract termination. Nothing herein shall be construed as limiting any other remedies that may be available to the Department.

In the event of a termination for default during ongoing operations, the Contractor shall be paid for any outstanding payments due less any assessed damages.

#### **10.8 Remedies for Violation, Breach, or Non-Performance Of Contract**

Upon receipt by the Department of evidence of substantial non-compliance by the Contractor with any of the provisions of this Contract or with State or federal laws or regulations the following remedies may be imposed.

##### **10.8.1 Procedure for Contractor Noncompliance Notification**

In the event that the Department identifies or learns of noncompliance with the terms of this contract, the Department will notify the Contractor in writing of the nature of the noncompliance. The Contractor must remedy the noncompliance within a time period established by the Department and the Department will designate a period of time, not less than ten (10) calendar days, in which the Contractor must provide a written response to the notification. The Department may develop or may require the Contractor to develop procedures with which the Contractor must comply to eliminate or prevent the imposition of specific remedies.

##### **10.8.2 Remedies Available To the Department**

The Department reserves the right to employ, at the Department's sole discretion, remedies and sanctions to include but not limited to payment withholds liquidated damages, and/or termination of the contract.

#### **10.9 Performance Bonds**

The Contractor shall deliver to DMAS executed performance bonds, each in the sum of four months of the estimated annual contract amount, with DMAS as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in the Commonwealth of Virginia. No payment shall be due and payable to the Contractor, even if the contract has been performed in whole or in part, until the bonds have been delivered to and approved by DMAS.

#### **10.10 Payment**

The Contractor shall be prepared to provide the full range of services requested under this RFP and resultant contract, on site and operationally ready to begin work by the implementation date established by DMAS. DMAS will provide adequate prior notice of at least 60-90 days of the implementation date. Upon approval of the Contractor's operational readiness and a determined start date, DMAS shall make payments as described in Section 6.





Each invoice submitted by the Contractor shall be subject to DMAS approval based on satisfactory performance of contracted services and compliance with all contract terms. The invoice shall contain the Federal tax identification number, the contract number and any other information subsequently required by DMAS.

#### **10.11 Identification of Proposal Envelope**

The signed proposal should be returned in a separate envelope or package sealed and identified as follows:

From: \_\_\_\_\_  
Name of Offeror Due Date /Time

\_\_\_\_\_  
Street or Box Number City, State, Zip Code

\_\_\_\_\_  
RFP Number

Name of Contract/Purchase Officer:

The envelope should be addressed as directed on Page 1 of the solicitation.

If a proposal not contained in the special envelope is mailed, the Offeror takes the risk that the envelope, even if marked as described above, may be inadvertently opened and the information compromised which may cause the proposal to be disqualified. Proposals may be hand delivered to the designated location in the office issuing the solicitation. No other correspondence or other proposals should be placed in the envelope.

#### **10.12 Indemnification**

Contractor agrees to indemnify, defend and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any materials, goods, or equipment of any kind or nature furnished by the Contractor/any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the using agency or to failure of the using agency to use the materials, goods, or equipment in the manner already and permanently described by the Contractor on the materials, goods or equipment delivered.

#### **10.13 Small/Minority/Women Owned Businesses Subcontracting and Reporting**

Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the Contractor is encouraged to offer such business to certified small, minority and/or women-owned businesses. Names of firms may be available from the Department of Minority Business Enterprise at [www.dmbv.virginia.gov](http://www.dmbv.virginia.gov). When such business has been subcontracted to these firms and quarterly during the contract period, the Contractor agrees to furnish the purchasing office the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service





provided on a quarterly basis.

#### **10.14 Prime Contractor Responsibilities**

No portion of the work shall be subcontracted without prior written consent of the purchasing agency. In the event that the contractor desires to subcontract some part of the work specified herein, the contractor shall furnish the purchasing agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall be responsible for completely supervising and directing the work under this contract and all subcontractors that it may utilize, using its best skill and attention. Subcontractors who perform work under this contract shall be responsible to the prime Contractor. The Contractor agrees that it is as fully responsible for the acts and omissions of its subcontractors and of persons employed by it as it is for the acts and omissions of its own employees.

#### **10.15 Renewal of Contract**

This contract may be renewed by the Commonwealth upon written agreement of both parties for four successive one-year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

#### **10.16 Confidentiality of Information**

By submitting a proposal, the Contractor agrees that information or data obtained by the Contractor from DMAS during the course of determining and/or preparing a response to this RFP may not be used for any other purpose than determining and/or preparing the Contractor's response. Such information or data may not be disseminated or discussed for any reasons not directly related to the determination or preparation of the Contractor's response to this RFP.

#### **10.17 HIPAA Compliance**

The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all State and Federal laws and Regulations with regards to handling, processing, or using Health Care Data. This includes but is not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations as it pertains to this agreement, and the Contractor shall keep abreast of the regulations. Since this is a federal law and the regulations apply to all health care information, the Contractor shall comply with the HIPAA regulations at no additional cost to DMAS. The Contractor will also be required to enter into a DMAS-supplied HIPAA Business Associate Agreement with DMAS to comply with the regulations protecting Health Care Data. A template of this Agreement is available on the DMAS Internet Site at <http://www.dmas.virginia.gov/hpa-home.htm>.

#### **10.18 Obligation of Contractor**

By submitting a proposal, the Contractor covenants and agrees that it has satisfied itself of the conditions to be met, and fully understands its obligations, and that it will have no right to cancel its proposal or to relief of any other nature because of its misunderstanding or lack of information.

#### **10.19 Independent Contractor**

Any Contractor awarded a contract under this RFP will be considered an independent Contractor, and neither the Contractor, nor personnel employed by the Contractor, is to be considered an employee or agent of DMAS.



#### **10.20 Ownership of Intellectual Property**

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance specific to this contract shall become the sole property of the Commonwealth. On request, the Contractor shall promptly provide an acknowledgement or assignment in a tangible form satisfactory to the Commonwealth to evidence the Commonwealth's sole ownership of specifically identified intellectual property created or developed in the performance of the contract.

#### **10.21 Subsidiary-Parent Relationship**

In the event the Offeror is a subsidiary or division of a parent organization, the Offeror must include in the proposal, a signed statement by the chief executive officer of the parent organization pledging the full resources of the parent organization to meet the responsibilities of the subsidiary organization under contract to DMAS. DMAS must be notified within 10 days of any change in ownership. Any change in ownership will not relieve the original parent of its obligation of pledging its full resources to meet the obligations of the contract with DMAS without the expressed written consent of the DMAS Director.

**ATTACHMENT I –  
REFERENCES  
RFP 2017-06**

**Reference Form:**

Contract Name:	
Customer name and address:	
Customer contact and title:	
Contact Phone number:	
Scope of Services of Contract:	
Contract Type (fixed price, fee for service, capitation, etc):	
Contract Size (# of providers served , # of participants served, etc):	
Contract Period:	
Number of Contractor staff assigned to contract:	
Annual Value of Contract:	

**ATTACHMENT II**  
**CERTIFICATION OF COMPLIANCE**  
**WITH PROHIBITION OF POLITICAL CONTRIBUTIONS AND GIFTS DURING THE PROCUREMENT PROCESS**

For contracts with a stated or expected value of \$5 million or more except those awarded as the result of competitive sealed bidding

I, \_\_\_\_\_, a representative of \_\_\_\_\_,  
*Please Print Name* *Name of Bidder/Offeror*

am submitting a bid/proposal to \_\_\_\_\_ in response to  
*Name of Agency/Institution*

\_\_\_\_\_, a solicitation where stated or expected contract value is  
*Solicitation/Contract #*

\$5 million or more which is being solicited by a method of procurement other than competitive sealed bidding as defined in § 2.2-4301 of the *Code of Virginia*.

I hereby certify the following statements to be true with respect to the provisions of §2.2-4376.1 of the *Code of Virginia*. I further state that I have the authority to make the following representation on behalf of myself and the business entity:

1. The bidder/offeror shall not knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
2. No individual who is an officer or director of the bidder/offeror, shall knowingly provide a contribution, gift, or other item with a value greater than \$50 or make an express or implied promise to make such a contribution or gift to the Governor, his political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an agency with jurisdiction over the matters at issue, during the period between the submission of the bid/proposal and the award of the contract.
3. I understand that any person who violates § 2.2-4376.1 of the *Code of Virginia* shall be subject to a civil penalty of \$500 or up to two times the amount of the contribution or gift, whichever is greater.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Date*

**To Be Completed By Offeror and Returned With Your Technical Proposal**

**ATTACHMENT III**  
**PROPRIETARY/CONFIDENTIAL INFORMATION IDENTIFICATION**  
**To Be Completed By Offeror and Returned With Your Technical Proposal**

Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of § 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected including the section of the proposal in which it is contained and the page numbers, and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. In addition, a summary of proprietary information submitted shall be submitted on this form. The classification of an entire proposal document, line item prices, and/or total proposal prices as proprietary or trade secrets is not acceptable. If, after being given reasonable time, the Offeror refuses to withdraw such a classification designation, the proposal will be rejected.

Name of Firm/Offeror: \_\_\_\_\_, invokes the protections of § 2.2-4342F of the Code of Virginia for the following portions of my proposal submitted on \_\_\_\_\_.

Date

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

DATA/MATERIAL TO BE PROTECTED	SECTION NO. & PAGE NO.	REASON WHY PROTECTION IS NECESSARY

**END OF DOCUMENT**

**ATTACHMENT IV  
State Corporation Commission Form**

**Virginia State Corporation Commission (SCC) registration information.** The offeror:

☐ is a corporation or other business entity with the following SCC identification number: \_\_\_\_\_ **-OR-**

☐ is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

☐ is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from Offeror's out-of-state location) **-OR-**

☐ is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned Offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

**\*\*NOTE\*\*** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver): ☐

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**To Be Completed by Offeror and Returned with Your Technical Proposal**

